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**APR 29 2011**

**OFFICE OF PETITIONS**

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In re Patent No. 6,223,937 :  
Issued: May 1, 2001 : ON PETITION  
Application No.: 09/441,869 :  
Filing Date: November 17, 1999 :  
Attorney Docket No. 337/1/003 :

This is in response to the "Response to Request for Information" filed November 23, 2010, and a decision on the petition under 37 CFR 1.378(b), filed June 29, 2010, to reinstate the above-cited patent.

The petition is **dismissed**.

The patent issued May 1, 2001. The 3.5 year maintenance fee could have been paid from May 1, 2004, through November 1, 2004, or with a surcharge, as authorized by 37 CFR 1.20(h), during the period from November 2, 2004, to May 1, 2005. Petitioner did not do so. Accordingly, the patent expired at midnight on May 1, 2005. It is also noted that the 7.5-year maintenance fee was missed as it was not paid by May 1, 2009. A petition under 37 CFR 1.378(b) was filed June 29, 2010. A "Request for Information" was mailed on September 23, 2010.

A grantable petition under 37 CFR 1.378(b) must be accompanied by a showing to the satisfaction of the Commissioner that the entire delay in paying the required maintenance fee from the due date for the fee until the filing of a grantable petition pursuant to this paragraph was unavoidable. The showing of record is not sufficient to establish to the satisfaction of the Commissioner that the delay was unavoidable within the meaning of 37 CFR 1.378(b).

**Opinion**

**Petitioner must establish that petitioner treated the patent the same as a reasonable and prudent person would treat his or her most important business.**

The general standard applied by the Office requires petitioner to establish that petitioner treated the patent the same as a reasonable and prudent person would treat his or her most important business.<sup>1</sup>

<sup>1</sup>The Commissioner is responsible for determining the standard for unavoidable delay and for applying that standard. 35 U.S.C. 41(c)(1) states, "The Commissioner may accept the payment of any maintenance fee . . . at any time . . . if the delay is shown to the satisfaction of the Commissioner to have been unavoidable." (emphasis added).

"In the specialized field of patent law, . . . the Commissioner of Patent and Trademarks is primarily responsible for the application and enforcement of the various narrow and technical statutory and regulatory provisions. His interpretation of those provisions is entitled to considerable deference." *Rydeen v. Quigg*, 748 F. Supp. 900, 904, 16 U.S.P.Q2d (BNA) 1876 (D.D.C. 1990), *aff'd without opinion* Rule 36), 937 F.2d 623 (Fed Cir. 1991) (citing *Morganroth v. Quigg*, 885 F.2d 843, 848, 12 U.S.P.Q.2d agencies' interpretation of a statute it administers is entitled to deference"); see also *Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 844, 81 L. Ed. 694, 104 S. Ct. 2778 (1984) ("if the statute is silent or

However, “[t]he question of whether an applicant’s delay in prosecuting an application was unavoidable [will] be decided on a case-by-case basis, taking all of the facts and circumstances into account.”<sup>2</sup> Nonawareness of the content of, or misunderstanding of PTO statutes, PTO rules, the MPEP, or the Official Gazette notices does not constitute unavoidable delay.<sup>3</sup> The statute requires a “showing” by petitioner, therefore; petitioner has the burden of proof. The decision will be based solely on the written, administrative record in existence. It is not enough that the delay was unavoidable; petitioner must prove that the delay was unavoidable. A petition will not be granted if petitioner provides insufficient evidence to “show” that the delay was unavoidable.

Petitioner is responsible for possessing knowledge of the need to pay maintenance fees and the due dates for such fees, Petitioner is responsible for instituting a reliable docketing system to remind him or her when maintenance fees become due.

Petitioner is responsible for having knowledge of the need to pay maintenance fees and knowing when the fees are due.<sup>4</sup> The Office has no duty to notify a patentee of the requirement to pay maintenance fees or to notify patentee when a maintenance fee is due.<sup>5</sup> Even if the Office were required to provide notice to

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ambiguous with respect to the specific issue, the question for the court is whether the agency’s answer is based on a permissible construction of the statute.”))

“The critical phrase ‘unless it be shown to the satisfaction of the Commissioner that such delay was unavoidable’ has remained unchanged since first enacted in 1861.” Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (D.C. Cir. 1982). The standard for “unavoidable” delay for reinstating a patent is the same as the unavoidable standard for reviving an application. See Ray v. Lehman, 55 F. 3d 606, 608-609, 34 U.S.P.Q.2d (BNA) 1786, 1781 (Fed Cir. 1995) (Citing In re patent No. 4,409,763, 7 U.S.P.Q.2d (BNA) 1798, 1800 (Comm’r Pat. 1990; Smith v. Mossinghoff, 671 F. 2d 533, 538, 213 U.S.P. Q. (BNA) 977 (D.C. Cir. 1982). The court in In re Mattullath, accepted the standard which had been proposed by Commissioner Hall which “requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business.” In re Mattullath, 38 App. D.C. 497, 514-515 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm’r Pat 31, 32-33 (1887)).

<sup>2</sup>Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (1982).

<sup>3</sup>See Smith v. Mossinghoff, 671 F. 2d 533, 538, 213 U.S.P.Q. (BNA) 977 (Fed. Cir. 1982) (citing Potter v. Dann, 201 U.S.P.Q. (BNA) 574 (D.D.C. 1978) for the proposition that counsel’s nonawareness of PTO rules does not constitute “unavoidable” delay); Vincent v. Mossinghoff, 1985 U.S. Dist. LEXIS 23119, 13, 230 U.S.P.Q. (BNA) 621 (D.D.C. 1985) (plaintiffs, through their counsel’s action, or their own, must be held responsible for having noted the MPEP section and Official Gazette notices expressly stating that the certified mailing procedures outlined in 37 CFR 1.8(a) do not apply to continuation applications.) (Emphasis added).

<sup>4</sup>Nonawareness of PTO statutes, PTO rules, the MPEP, or Official Gazette notices, which state maintenance fee amounts and dates they are due does not constitute unavoidable delay. See Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (Fed. Cir. 1982) (citing Potter v. Dann, 201 U.S.P.Q. (BNA) 574 (D.D.C. 1978) for the proposition that counsel’s nonawareness of PTO rules does not constitute “unavoidable” delay); Vincent v. Mossinghoff, 1985 U.S. Dist. LEXIS 23119, 13, 230 U.S.P.Q. (BNA) 621 (D.D.C. 1985) (Plaintiffs, through their counsel’s actions, or their own must be held responsible for having noted the MPEP section and Official Gazette notices expressly stating that the certified mailing procedures outlined in 37 CFR 1.8(a) do not apply to continuation applications.) (Emphasis added).

Petitioner must act as a reasonable and prudent person in relation to his most important business. Upon obtaining the patent, a reasonable and prudent person, in relation to his most important business, would become familiar with the legal requirements of that business, in this case, the requirement to pay maintenance fees. In addition, a reasonable and prudent individual would read the patent itself and thereby become aware of the need to pay maintenance fees and the fact that such fee amounts are sometimes changed by law or regulation.

<sup>5</sup>Congress expressly conditioned §§ 133 and 151 [of the United States Code] on a specific type of notice, while no such notice requirements are written into § 41(c) . . . [T]he Commissioner’s no timely-notice interpretation.” Ray v. Comer, 1994 U.S. Dist. LEXIS 21478, 8-9 (1994), *aff’d on other grounds* Ray v. Lehman, 55 F.3d 606, 34 USPQ2d 1786 (Fed. Cir. 1995) (Citing Rydeen v. Quigg, 748 F. Supp. 900, 905 (1990), Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc., 467 U.S.

applicant of the existence of maintenance fee requirements, such notice is provided by the patent itself.<sup>6</sup>

A reasonable and prudent person, aware of the existence of maintenance fees, would not rely on maintenance fee reminders or on memory to remind him or her when payments would fall due several years in the future. Instead, such an individual would implement a reliable and trustworthy tracking system to keep track of the relevant dates.<sup>7</sup> The individual would also take steps to ensure that the patent information was correctly entered into the tracking system.

### **Application of the unavoidable standard to the present facts**

By the instant petition, petitioner argues that the above-cited patent should be reinstated because the delay in paying the 3.5-year maintenance fee was unavoidable due to a docketing and clerical error that occurred in the offices of Baker Daniels, the law firm charged with tracking and paying the maintenance fee for the subject patent. Specifically, petitioner surmises that Ms. Patrice Michele Potter, an employee of Baker Daniels, changed the status of the subject patent matter in the Computer Packages Inc. Patent Management System (CPI) to “abandoned” resulting in no indications by CPI that the maintenance fee for the patent was coming due. Petitioner maintains CPI is sufficiently reliable and reliance on it represented the exercise of due care. Further, petitioner concludes that clerical error of Ms. Potter was an isolated mistake on the part of Ms. Potter who is otherwise sufficiently trained and knowledgeable of the CPI system and that reliance on Ms. Potter represented the exercise of due care in the maintenance of the patent.

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837, 81 L. ed. 2d 694, 104 S. Ct. 2778 (1984)). “The Court concludes as it did in Rydeen, that as a constitutional matter, ‘plaintiff was not entitled to any notice beyond publication of the statute.’” *Id.* at 3 (citing Rydeen v. Quigg, 748 F. Supp. at 906, Texaco v. Short, 454 U.S. 516, 536, 70 L. Ed. 2d 738, 102 S. Ct. 781 (1982)).

The Patent Office, as a courtesy tries to send maintenance fee reminders and notices of patent expiration to the address of record. However, the failure to receive the reminder notice, and the lack of knowledge of the requirement to pay the maintenance fee, will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office. See MPEP 2575, 2540, 2590. Petitioner does not have a right to a personalized notice that this patent will expire if a certain maintenance fee is not paid, as the publication of the statute was sufficient notice. See Rydeen v. Quigg, 748 F. Supp. 900, 907 (1990). the ultimate responsibility for keeping track of maintenance fee states lies with the patentee, not the USPTO. Since the mailing of Notices by the Office is completely discretionary and not a requirement imposed by Congress, accepting an argument that failure to receive a Notice is unavoidable delay would result in all delays being unavoidable should the Office discontinue the policy. All petitions could allege non-receipt of the reminder, and therefore all petitions could be granted. This was clearly not the intent of Congress in the creation of the unavoidable standard.

<sup>6</sup>See Ray v. Lehman, 55 F.3d 606, 610; 34 USPQ2d 1786, 1789 (Fed. Cir. 1995). The Letters of Patent contain a Maintenance Fee Notice that warns that the patent may be subject to maintenance fees if the application was filed on or after December 12, 1980. While it is unclear as to who was and is in actual possession of the patent, petitioner’s failure to read the Notice does not vitiate the Notice, nor does the delay resulting from such failure to read the Notice establish unavoidable delay.

<sup>7</sup> 37 CFR 1.378(b)(3) precludes acceptance of a late maintenance fee for a patent unless a petitioner can demonstrate that steps were in place to monitor the maintenance fee. The federal Circuit has specifically upheld the validity of this regulation. Ray v. Lehman, 55 F.3d 606, 609; 34 USPQ2d (BNA) 1786 (Fed.Cir. 1995). In Ray v. Lehman, petitioner claimed that he had not known of the existence of the maintenance fees and therefore had no steps in place to pay such fees. The petitioner therefore argues that the PTO’s regulation, 37 CFR 1.37(b)(3), *supra*, arguing that it ‘creates a burden that goes well beyond what is reasonably prudent.’ We disagree, The PTO’s regulation merely sets forth how one is to prove that he was reasonably prudent, i.e., by showing what steps he took to ensure that the maintenance fee would be timely paid, and the steps taken in seeking to reinstate the patent. We do not see these requirements additional to proving unavoidable delay, but as the very elements of unavoidable delay.” *Id.*

The petitioner's argument and statements have been considered, but are not persuasive as petitioner has not made the "showing" that is required to satisfy the requirements of 37 CFR 1.378(b). Further to this point, Section 711.03(c)(2) provides, in pertinent part that:

In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account." *Smith v. Mossinghoff*, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). Finally, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable." *Haines v. Quigg*, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay, provided it is shown that:

- (A) the error was the cause of the delay at issue;
- (B) there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance; and
- (C) the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care.

Petitioner states that:

[t]o ensure that the dates in the CPI docket system were correct, the paralegal would print out a sheet that summarized the docket data entries for each matter. That sheet together with the physical file was then routed to the responsible attorney. The responsible attorney verified that the docket entries were correct...Baker & Daniels also used a periodic audit procedure to verify that data in the docket was accurate. All intellectual property paralegals and docket clerks throughout Baker & Daniels would periodically travel to the office whose docket data entry was being audited. One of the paralegals would run a docket report showing the docket entries for all active patent matters. The paralegals and docket clerks then reviewed the physical files for each matter and confirmed the accuracy of the data entered into the docket system.

*Excerpt taken from "Response to Request for Information" filed November 23, 2010, page 7.*

Despite the procedures explained by petitioner for ensuring the accuracy of data in the docket entries as set forth above, the status of the subject patent was incorrectly changed to "abandoned" and remained "abandoned" for eight years from December 26, 2002, when the entry was changed. It is noted that only five of those years are material to the instant petition since the patent was allowed to expire in 2005 as a result of the clerical mistake. Arguably, the status of the subject patent may have still been reflected as "abandoned" in the records of Baker & Daniels had the assignee not contacted counsel to discuss enforcing the subject patent against a third party. Neither the petition under 37 CFR 1.378(b) nor the "Response to Request for Information" explains how the incorrect "abandoned" status for the patent persisted for such an extended period given then checks and cross-checks employed by Baker Daniels as set forth above. It is noted that a successful petition under 37 CFR 1.378(b) requires that petitioner establish that the entire delay in paying the maintenance fee—from the due date for the maintenance fee until the filing of a grantable petition under 37 CFR 1.378(b) was unavoidable. Petitioner has not established that the entire delay was unavoidable as it is reasonable to expect that at some point in the five years since the patent expired the checks and cross-checks employed by Baker Daniels would have revealed that the status of the subject patent was incorrectly cited as "abandoned" and that the assignee

gave no instruction to Baker Daniels to “abandoned” the patent. Petitioner has offered no explanation for this apparent failing of the docketing and clerical procedures employed by Baker Daniels or refuted the conclusion that this failing belies the assertion that the entire delay in paying the maintenance fee was unavoidable.

Further, a review of the docket record for the subject patent as maintained by Baker Daniels (Petitioner’s “Exhibit A” of the “Response to the Request for Information” reveals that on December 26, 2002, User ID “pmpotter” which is presumed to be Ms. Potter, entered the due dates for the 3.5-year, 7.5-year, and 11.5-year maintenance fees for the subject patent. However, the first screen, which provides the identifying and status information reflects that the patent is “Abandoned”. Ms. Potter states in her declaration, which petitioner’s “Exhibit C” that:

11. I have no memory of having done so, but based on my review of the docket entries for the ‘937 Patent, I conclude that on December 26, 2002, I erroneously updated the “Application Status field in the docket entry for the ‘937 Patent to “Abandoned...”

*Excerpt taken from “Declaration of Patrice M. Potter” filed November 23, 2010.*

Petitioner has offered no explanation for how two such inconsistent actions can be taken in the docket record. On one hand, Ms. Potter enters the maintenance fee payment schedule for the subject patent and on the other Ms. Potter changes that status of the application to abandoned indicating that no maintenance fee reminders should be generated. In establishing that the delay in paying the 3.5-year maintenance fee was unavoidable because of a docketing/clerical error in an otherwise reliable employee and reliable system, petitioner should explain why the docketing system would not have warned Ms. Potter of the obvious inconsistency of these actions and asked for verification before implementing the change in the system. If the docketing system generated such a warning, petitioner should explain why Ms. Potter would not have heeded the warning.

It is further noted that the subject patent was expired for five years before the expiration was discovered. It is further noted that the expiration of the patent was not discovered by the patent agent, but by a happenstance conversation between the assignee and other counsel. Arguably, in treating the patent as its’ most important business, the exercise of diligence and prudence relative to the maintenance of the subject patent would dictate that petitioner initiate periodic checks as to the status of the patents maintained. If such a business routine were in place, the patent would likely not have remained expired for five years. The petition is silent as to any business routine in place that would safeguard against a patent being expired for extended periods of time. The apparent lack of such a safeguard further indicates that petitioner did not exercise the reasonable prudence and diligence in the maintenance of the patent which is the hallmark of establishing unavoidable delay as it is defined by 37 CFR 1.378(b).

### **Petitioner’s Current Options**

#### **I. Petitioner may file a request for reconsideration.**

If reconsideration of this decision is desired, a petition for reconsideration must be filed within TWO (2) MONTHS from the mail date of this decision.<sup>8</sup> The petition for reconsideration should be titled “Petition

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A reasonable and prudent person would not rely on maintenance fee reminders from the Office for two reasons. First, the Office has indicated that such reminders are a mere courtesy and has reserved the right to discontinue such reminders at any time. \ second, such reminders may be lost in the mail. A reasonable and prudent person, in regard to his most important business would not rely solely on reminders that the Office may or may not send which may or may not be lost in the mail.

for Reconsideration under 37 CFR 1.378(b).” Any petition for reconsideration for this decision must be accompanied by a non-refundable petition fee of \$400.00 as set forth in 37 CFR 1.17(h).

After a decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner. It is, therefore, extremely important that petitioner supply any and all relevant information and documentation with the request for reconsideration. The Commissioner’s decision will be based solely on the administrative record in existence. Petitioner should remember that is not enough that the delay was unavoidable; petitioner must prove that the delay was unavoidable. A petition will not be granted if petitioner provides insufficient evidence “to show” that the delay was unavoidable. If a request for reconsideration is filed, it must establish that the entire delay in the submission of the maintenance fee was unavoidable.

II. Petitioner may request a refund of the maintenance fee and surcharge which accompanied the petition.

Petitioner may request a refund of the maintenance fee and surcharge by writing to the Office of Finance, Refund Section, Commissioner for Patents, Washington, DC 20231. A copy of this decision should accompany petitioner’s request.

Further correspondence with respect to this matter should be addressed as follows:

By mail:                      Commissioner for Patent  
                                    Mail Stop Petitions  
                                    Box 1450  
                                    Alexandria, VA 22313-1460

By facsimile:              (571) 273-8300  
                                    Attn: Office of Petitions

Telephone inquiries concerning this decision should be directed to the undersigned at (571) 272-3222.

/Kenya A. McLaughlin/

Kenya A. McLaughlin  
Petition Attorney  
Office of Petitions

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<sup>8</sup>No extension of this two-month time limit can be granted under 37 CFR 1.136(a) or (b). This is not a final agency action within the meaning of 5 U.S.C. § 704.